

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S

1

SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

1 such transfer that creates or increases a financial obligation in the 2012-2013
2 fiscal year or any subsequent fiscal year.

3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
4 in the amount of twenty million dollars (\$20,000,000). These funds are
5 hereby appropriated.

6 (5) Transfer funds from the Repairs and Renovations Reserve Account in the
7 amount of twenty million dollars (\$20,000,000), notwithstanding
8 G.S. 143C-4-3. This transfer is in addition to the transfer authorized by
9 subdivision (2) of this subsection.

10 **SECTION 1.(b)** Subsection (a) of this section applies only to funds required to
11 cover the costs of paying Medicaid providers during the 2011-2012 fiscal year. Transfers under
12 each subdivision of subsection (a) of this section shall be limited to the amounts actually
13 required to pay providers through the end of the 2011-2012 fiscal year. To the extent that the
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15 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to
16 the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be
17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

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A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

such transfer that creates or increases a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.

(4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year in the amount of twenty million dollars (\$20,000,000). These funds are hereby appropriated.

(5) Transfer funds from the Repairs and Renovations Reserve Account in the amount of twenty million dollars (\$20,000,000), notwithstanding G.S. 143C-4-3. This transfer is in addition to the transfer authorized by subdivision (2) of this subsection.

SECTION 1.(b) Subsection (a) of this section applies only to funds required to cover the costs of paying Medicaid providers during the 2011-2012 fiscal year. Transfers under each subdivision of subsection (a) of this section shall be limited to the amounts actually required to pay providers through the end of the 2011-2012 fiscal year. To the extent that the full amount of any of these funds is not required to pay providers through the end of the 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be transferred back to the source fund.

SECTION 1.(c) On or before October 1, 2012, the Office of State Budget and Management and the Department of Health and Human Services shall report on the measures taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations.

SECTION 2. Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall draw down or transfer unearned or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create or increase a financial obligation in the 2012-2013 fiscal year.

SECTION 3. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

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TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
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17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
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27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

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FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
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27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

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AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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2 fiscal year or any subsequent fiscal year.

3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
4 in the amount of twenty million dollars (\$20,000,000). These funds are
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10 **SECTION 1.(b)** Subsection (a) of this section applies only to funds required to
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15 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to
16 the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be
17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

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AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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2 fiscal year or any subsequent fiscal year.

3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
4 in the amount of twenty million dollars (\$20,000,000). These funds are
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10 **SECTION 1.(b)** Subsection (a) of this section applies only to funds required to
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15 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to
16 the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be
17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

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AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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2 fiscal year or any subsequent fiscal year.

3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
4 in the amount of twenty million dollars (\$20,000,000). These funds are
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10 **SECTION 1.(b)** Subsection (a) of this section applies only to funds required to
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12 each subdivision of subsection (a) of this section shall be limited to the amounts actually
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15 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to
16 the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be
17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

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OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
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The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

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- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
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27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
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TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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(4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year in the amount of twenty million dollars (\$20,000,000). These funds are hereby appropriated.

(5) Transfer funds from the Repairs and Renovations Reserve Account in the amount of twenty million dollars (\$20,000,000), notwithstanding G.S. 143C-4-3. This transfer is in addition to the transfer authorized by subdivision (2) of this subsection.

SECTION 1.(b) Subsection (a) of this section applies only to funds required to cover the costs of paying Medicaid providers during the 2011-2012 fiscal year. Transfers under each subdivision of subsection (a) of this section shall be limited to the amounts actually required to pay providers through the end of the 2011-2012 fiscal year. To the extent that the full amount of any of these funds is not required to pay providers through the end of the 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be transferred back to the source fund.

SECTION 1.(c) On or before October 1, 2012, the Office of State Budget and Management and the Department of Health and Human Services shall report on the measures taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations.

SECTION 2. Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall draw down or transfer unearned or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create or increase a financial obligation in the 2012-2013 fiscal year.

SECTION 3. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S

1

SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
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OBLIGATION IN THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
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17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

S

1

SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
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OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
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The General Assembly of North Carolina enacts:

SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

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- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
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18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
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27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
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SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
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SECTION 1.(c) On or before October 1, 2012, the Office of State Budget and Management and the Department of Health and Human Services shall report on the measures taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations.

SECTION 2. Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall draw down or transfer unearned or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create or increase a financial obligation in the 2012-2013 fiscal year.

SECTION 3. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
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- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
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18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
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**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
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SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

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(4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year in the amount of twenty million dollars (\$20,000,000). These funds are hereby appropriated.

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SECTION 1.(b) Subsection (a) of this section applies only to funds required to cover the costs of paying Medicaid providers during the 2011-2012 fiscal year. Transfers under each subdivision of subsection (a) of this section shall be limited to the amounts actually required to pay providers through the end of the 2011-2012 fiscal year. To the extent that the full amount of any of these funds is not required to pay providers through the end of the 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be transferred back to the source fund.

SECTION 1.(c) On or before October 1, 2012, the Office of State Budget and Management and the Department of Health and Human Services shall report on the measures taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations.

SECTION 2. Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall draw down or transfer unearned or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create or increase a financial obligation in the 2012-2013 fiscal year.

SECTION 3. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
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SECTION 1.(a) In order to ensure that there is adequate funding in the Medicaid budget for the 2011-2012 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the following extraordinary budget adjustments in an amount not to exceed two hundred five million five hundred thousand dollars (\$205,500,000). These adjustments are set forth in priority order and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount. To the extent necessary to ensure payment to providers for the remainder of the 2011-2012 fiscal year, the following adjustments are authorized in priority order:

- (1) Transfer a minimum of fifty million dollars (\$50,000,000) of funds available within the Department of Health and Human Services. Neither the Director of the Budget nor any other State official, officer, or agency shall, pursuant to this subdivision, authorize any (i) transfer of unearned or borrowed Medicaid Disproportionate Share Receipts; (ii) delay of drug rebates; or (iii) transfer of any funds, if the action would create or increase a financial obligation in the 2012-2013 fiscal year or any subsequent fiscal year.
- (2) Transfer funds from the Repairs and Renovations Reserve Account that are currently allocated to the Department of Health and Human Services in the amount of ten million five hundred thousand dollars (\$10,500,000), notwithstanding G.S. 143C-4-3. If funds are transferred pursuant to this subdivision, then notwithstanding G.S. 143C-4-3, Section 30.5 of S.L. 2011-145, or any other provision of law, the Office of State Budget and Management shall not allocate or use funds in the Repairs and Renovations Reserve Account to replace those funds.
- (3) Transfer of projected 2011-2012 General Fund reversions from all State agencies and departments, including debt service reversions, in the amount of one hundred five million dollars (\$105,000,000). Neither the Director of the Budget nor any other State official, officer, or agency shall authorize any

1 such transfer that creates or increases a financial obligation in the 2012-2013
2 fiscal year or any subsequent fiscal year.

3 (4) Transfer of projected revenue overcollections for the 2011-2012 fiscal year
4 in the amount of twenty million dollars (\$20,000,000). These funds are
5 hereby appropriated.

6 (5) Transfer funds from the Repairs and Renovations Reserve Account in the
7 amount of twenty million dollars (\$20,000,000), notwithstanding
8 G.S. 143C-4-3. This transfer is in addition to the transfer authorized by
9 subdivision (2) of this subsection.

10 **SECTION 1.(b)** Subsection (a) of this section applies only to funds required to
11 cover the costs of paying Medicaid providers during the 2011-2012 fiscal year. Transfers under
12 each subdivision of subsection (a) of this section shall be limited to the amounts actually
13 required to pay providers through the end of the 2011-2012 fiscal year. To the extent that the
14 full amount of any of these funds is not required to pay providers through the end of the
15 2011-2012 fiscal year, (i) the authority to transfer funds shall immediately lapse with respect to
16 the unneeded portions and unneeded adjustments; and (ii) any excess funds transferred shall be
17 transferred back to the source fund.

18 **SECTION 1.(c)** On or before October 1, 2012, the Office of State Budget and
19 Management and the Department of Health and Human Services shall report on the measures
20 taken pursuant to this section to the Appropriations/Base Budget Committee of the Senate, the
21 Appropriations Committee of the House of Representatives, and the Joint Legislative
22 Commission on Governmental Operations.

23 **SECTION 2.** Notwithstanding any other provision of law, neither the Director of
24 the Budget nor any other State official, officer, or agency shall draw down or transfer unearned
25 or borrowed Medicaid Disproportionate Share Receipts or other funds if doing so would create
26 or increase a financial obligation in the 2012-2013 fiscal year.

27 **SECTION 3.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 797

Short Title: Ensure Timely Payment of 2012 Medicaid Costs. (Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens.

Referred to: Appropriations/Base Budget.

May 16, 2012

A BILL TO BE ENTITLED
AN ACT TO ENSURE ADEQUATE FUNDING IN THE STATE MEDICAID PROGRAM
FOR THE 2011-2012 FISCAL YEAR; AND TO PROHIBIT THE DRAWING DOWN OR
TRANSFERRING OF MEDICAID DISPROPORTIONATE SHARE RECEIPTS OR
OTHER FUNDS IF DOING SO WOULD CREATE OR INCREASE A FINANCIAL
OBLIGATION IN THE 2012-2013 FISCAL YEAR.

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